

104TH CONGRESS
1ST SESSION

H. R. 851

To direct the Secretary of Health and Human Services to establish pilot projects to investigate the effectiveness of the use of rural health care provider telemedicine networks to provide coverage of physician consultative services under part B of the medicare program to individuals residing in rural areas.

IN THE HOUSE OF REPRESENTATIVES

FEBRUARY 7, 1995

Mrs. LINCOLN (for herself, Mr. RICHARDSON, and Mr. DICKEY) introduced the following bill; which was referred to the Committee on Commerce and, in addition, to the Committee on Ways and Means, for a period to be subsequently determined by the Speaker, in each case for consideration of such provisions as fall within the jurisdiction of the committee concerned

A BILL

To direct the Secretary of Health and Human Services to establish pilot projects to investigate the effectiveness of the use of rural health care provider telemedicine networks to provide coverage of physician consultative services under part B of the medicare program to individuals residing in rural areas.

1 *Be it enacted by the Senate and House of Representa-*
2 *tives of the United States of America in Congress assembled,*

1 **SECTION 1. SHORT TITLE.**

2 This Act may be cited as the “Rural Telemedicine
3 Act of 1995”.

4 **SEC. 2. ESTABLISHMENT OF PROJECT.**

5 (a) IN GENERAL.—The Secretary of Health and
6 Human Services (hereafter referred to as the “Secretary”)
7 shall establish not more than 10 pilot projects not later
8 than 9 months after the date of enactment of this Act
9 to investigate over a 3-year period the effectiveness of the
10 use of rural health care provider telemedicine networks to
11 provide coverage of physician consultative services under
12 part B of the medicare program to individuals residing
13 in rural areas.

14 (b) NETWORKS DEFINED.—In this Act, the term
15 “rural health care provider telemedicine network” (here-
16 after referred to as a “network”) means a network of pro-
17 viders that meets the following requirements:

18 (1) The network serves physicians, clinics, and
19 other nontertiary care providers in a rural area who
20 have entered into agreements with a multispecialty
21 tertiary care provider (without regard to whether or
22 not such tertiary care provider is in the rural area)
23 regarding patient referral and transfer, the use of
24 joint communications systems, and the provision of
25 emergency and nonemergency transportation among
26 the network members.

1 (2) The area in which the network operates is
2 a rural area designated as a health professional
3 shortage area (under section 332(a) of the Public
4 Health Service Act) or is an underserved rural area
5 in accordance with such other criteria as the Sec-
6 retary may specify.

7 **SEC. 3. MEDICARE PAYMENT FOR PARTICIPANTS.**

8 (a) IN GENERAL.—Under the projects established
9 under this Act, the Secretary shall make payments from
10 the Federal Supplementary Medical Insurance Trust
11 Fund under part B of title XVIII of the Social Security
12 Act in accordance with the methodology described in sub-
13 section (b) for physicians' services consisting of a profes-
14 sional consultation with an individual or entity furnishing
15 a service for which payment may be made under such part
16 to a medicare beneficiary in a rural area, notwithstanding
17 that the individual providing the professional consultation
18 is not at the same location as the individual furnishing
19 the service to the medicine beneficiary.

20 (b) METHODOLOGY FOR DETERMINING AMOUNT OF
21 PAYMENTS.—Taking into account the amount of funds
22 available for payments under the project, the Secretary
23 shall establish a methodology for determining the amount
24 of payments made under subsection (a), and shall include
25 in the methodology a method for making payment for rea-

1 sonable costs incurred in the usage of signal transmission
2 facilities suitable for the conduct of physician consultative
3 services.

4 (c) PAYMENT FOR NONPHYSICIAN PROVIDERS.—
5 Payments may be made under subsection (a) for any serv-
6 ice described in such paragraph, without regard to wheth-
7 er or not the individual furnishing such service is a physi-
8 cian.

9 **SEC. 4. ELIGIBILITY OF NETWORKS.**

10 (a) IN GENERAL.—A network is eligible to partici-
11 pate in a pilot project under this Act if—

12 (1) the network submits to the Secretary (at
13 such time and in such form as the Secretary may re-
14 quire) an application containing such information
15 and assurances as the Secretary may require; and

16 (2) the network agrees to submit to the Sec-
17 retary such information as the Secretary may re-
18 quire to determine the amount of payments de-
19 scribed in section 3(b), to prepare reports under sec-
20 tion 6, and to otherwise carry out the project.

21 (b) RURAL AREA DEFINED.—In this Act, the term
22 “rural area” has the meaning given such term in section
23 1886(d)(2)(D) of the Social Security Act.

1 **SEC. 5. CRITERIA FOR SELECTING PARTICIPANTS.**

2 (a) TECHNOLOGY APPLIED.—In selecting among eli-
3 gible networks for participation in pilot projects under this
4 Act, the Secretary shall give priority to networks that pro-
5 vide for consultations between patients and medical spe-
6 cialists involving transmission of detailed data on the pa-
7 tient in a manner that serves as a reasonable substitute
8 for inperson interaction between the patients and the spe-
9 cialists.

10 (b) PERMITTING EXISTING NETWORKS TO PARTICI-
11 PATE.—Nothing in this Act may be construed to prohibit
12 the Secretary from selecting a network operating at the
13 time of the establishment of the pilot projects from partici-
14 pating in the project.

15 **SEC. 6. REPORTS.**

16 (a) INTERIM REPORT ON PARTICIPATING SITES.—
17 Not later than 24 months after the Secretary first makes
18 payment under subsection (b) for services under a pilot
19 project, the Secretary shall submit a report to Congress
20 describing the projects and the networks participating in
21 the projects under this section, including a description of
22 the amounts expended and the number of patients served
23 under the projects.

24 (b) FINAL.—Not later than 1 year after the termi-
25 nation of the projects, the Secretary shall submit a final

1 report to Congress describing the operation of the projects
2 and containing—

3 (1) the Secretary's analysis of the projects'
4 cost-effectiveness and success in promoting the ac-
5 cess of providers of health care services in rural
6 areas to consultation services of specialist physi-
7 cians;

8 (2) the Secretary's analysis of the impact of the
9 projects on the ability of patients to obtain a higher
10 quality and greater range of care; and

11 (3) such recommendations as the Secretary con-
12 siders appropriate for changes in the medicare pro-
13 gram relating to telemedicine, including estimates of
14 the costs associated with any such changes.

15 **SEC. 7. AUTHORIZATION OF APPROPRIATIONS.**

16 There are authorized to be appropriated from the
17 Federal Supplementary Medical Insurance Trust Fund
18 under section 1841 of the Social Security Act a total of
19 \$51,000,000 for carrying out the demonstration project
20 under this Act. Of such amount, not more than
21 \$1,000,000 may be used for administrative purposes, in-
22 cluding preparing and submitting reports under section 6.

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